Wyoming Medicaid Expansion Analysis
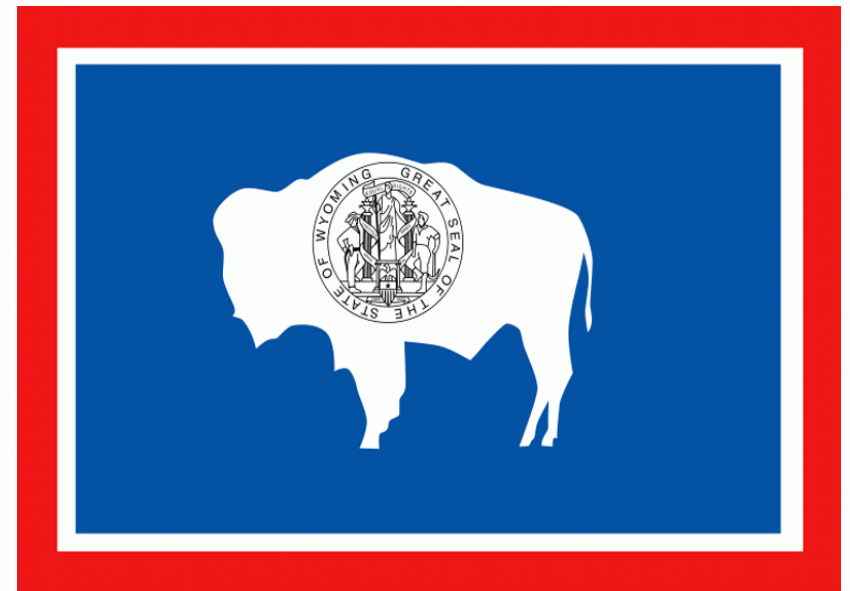## Results Summary

Presented by:

**Jill Van Den Bos, MA**

Daniel Perlman, ASA, MAAA

November 12, 2012

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Introduction

- Medicaid cost study was authorized by Senate Enrolled Act 93, sixty-first legislature of the State of Wyoming, 2011 general session

- Goal of study was to provide estimates of costs for Medicaid expansion under the Patient Protection and Affordable Care Act (P.L. 111-148 and P.L. 111-152)

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Wyoming Medicaid: Historical Analysis
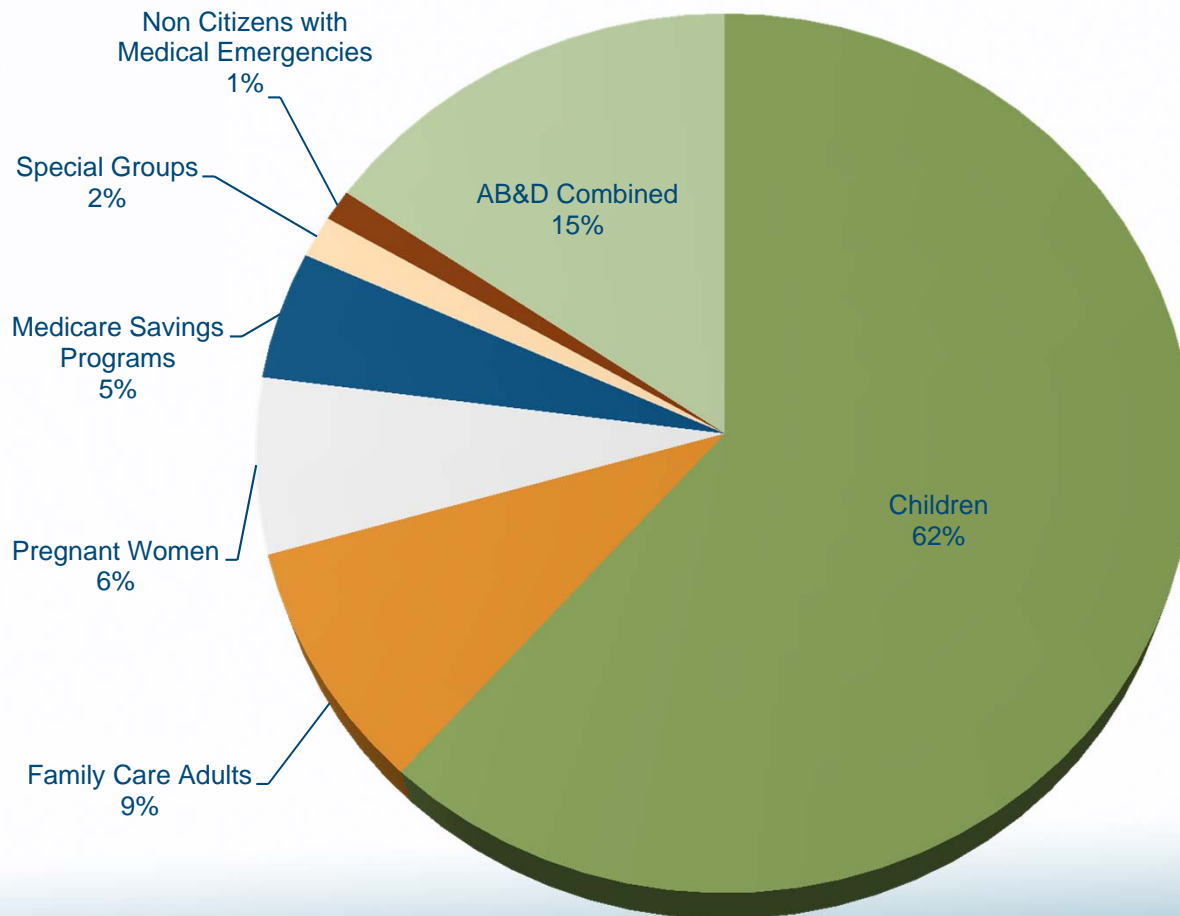## Member Counts & Unemployment by Fiscal Year
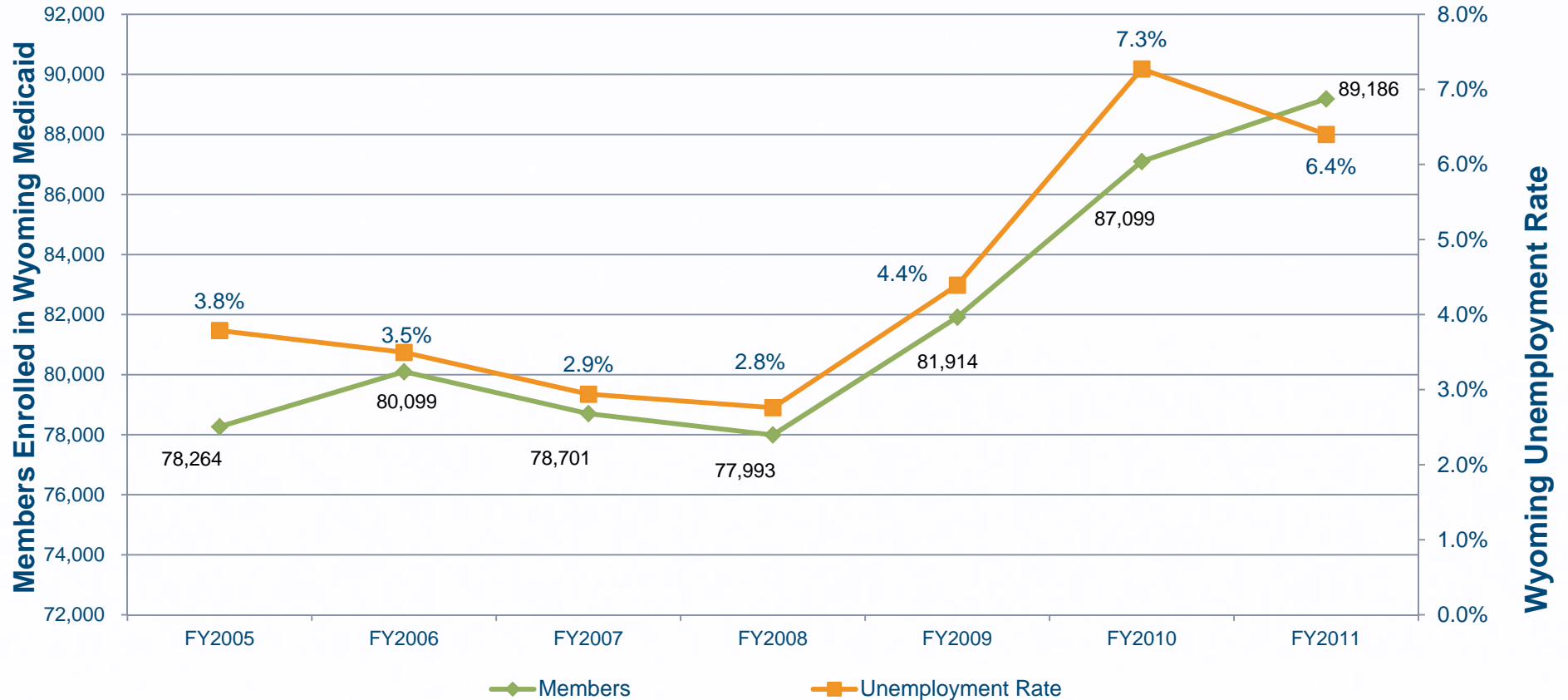
Sources
Wyoming Department of Health (enrollment)
U.S. Bureau of Labor Statistics (unemployment)

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Wyoming Medicaid: Historical Analysis
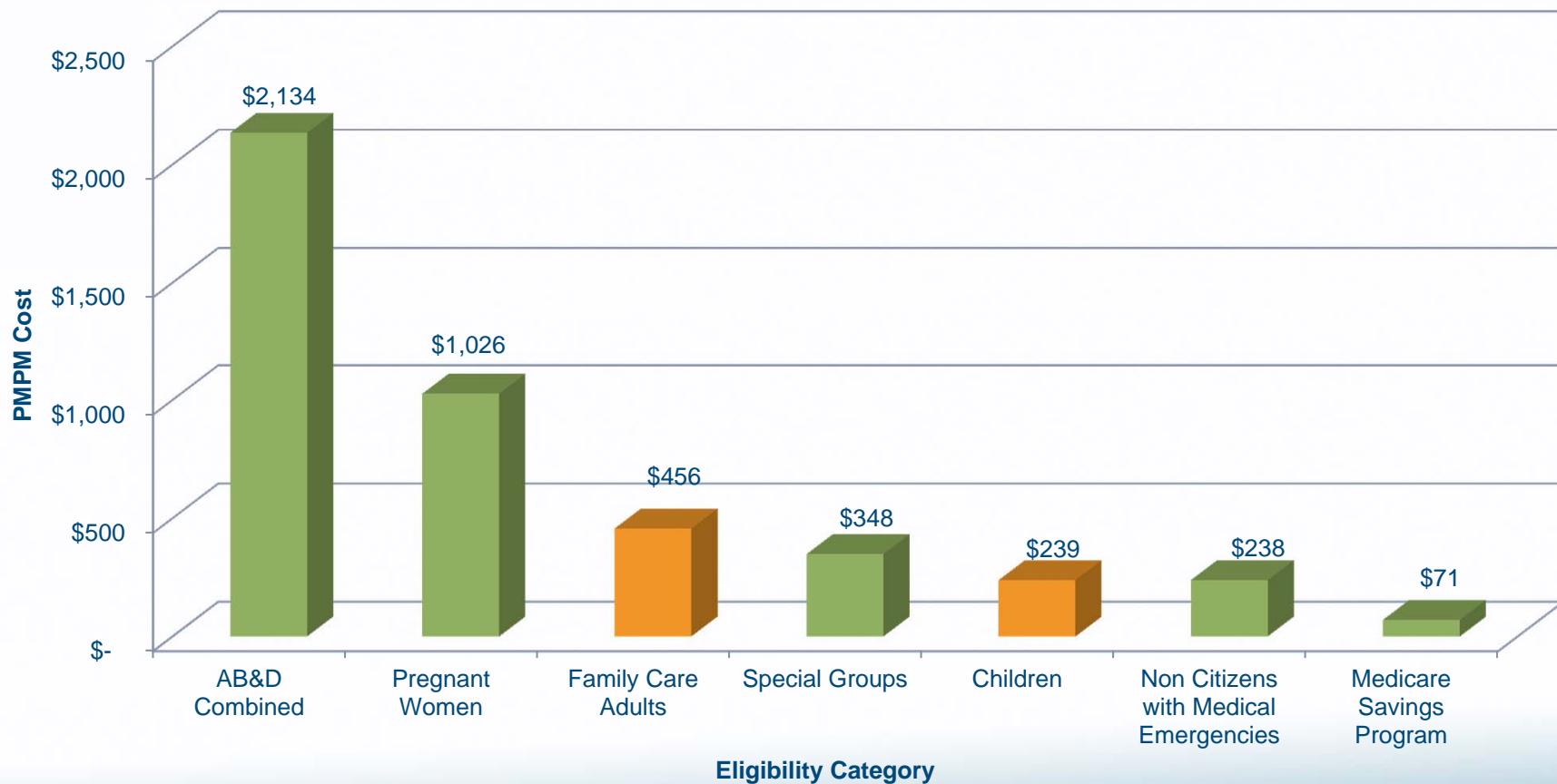## Medicaid Enrollment by Eligibility Program
FY 2011

Non Citizens with Medical Emergencies 1%

Special Groups 2%

Medicare Savings Programs 5%

Pregnant Women 6%

Family Care Adults 9%

AB&D Combined 15%

Children 62%

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Wyoming Medicaid: Historical Analysis
Total Annual Cost by Eligibility Program
FY 2011

Non Citizens with Medical
Emergencies
0%

Special Groups
1%

Medicare Savings Programs
1%

Pregnant Women
7%

Family Care Adults
6%

AB&D Combined
60%

Children
26%

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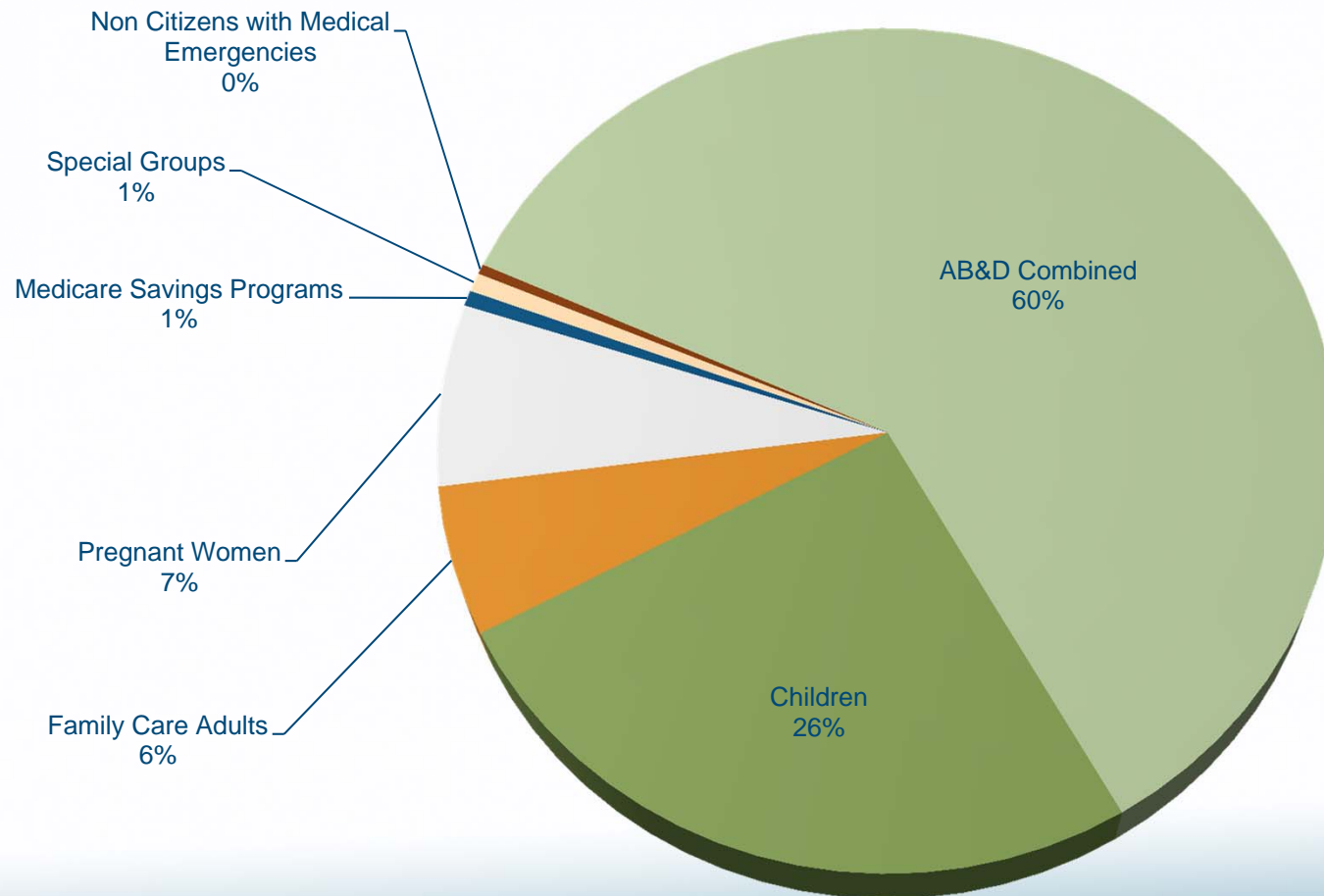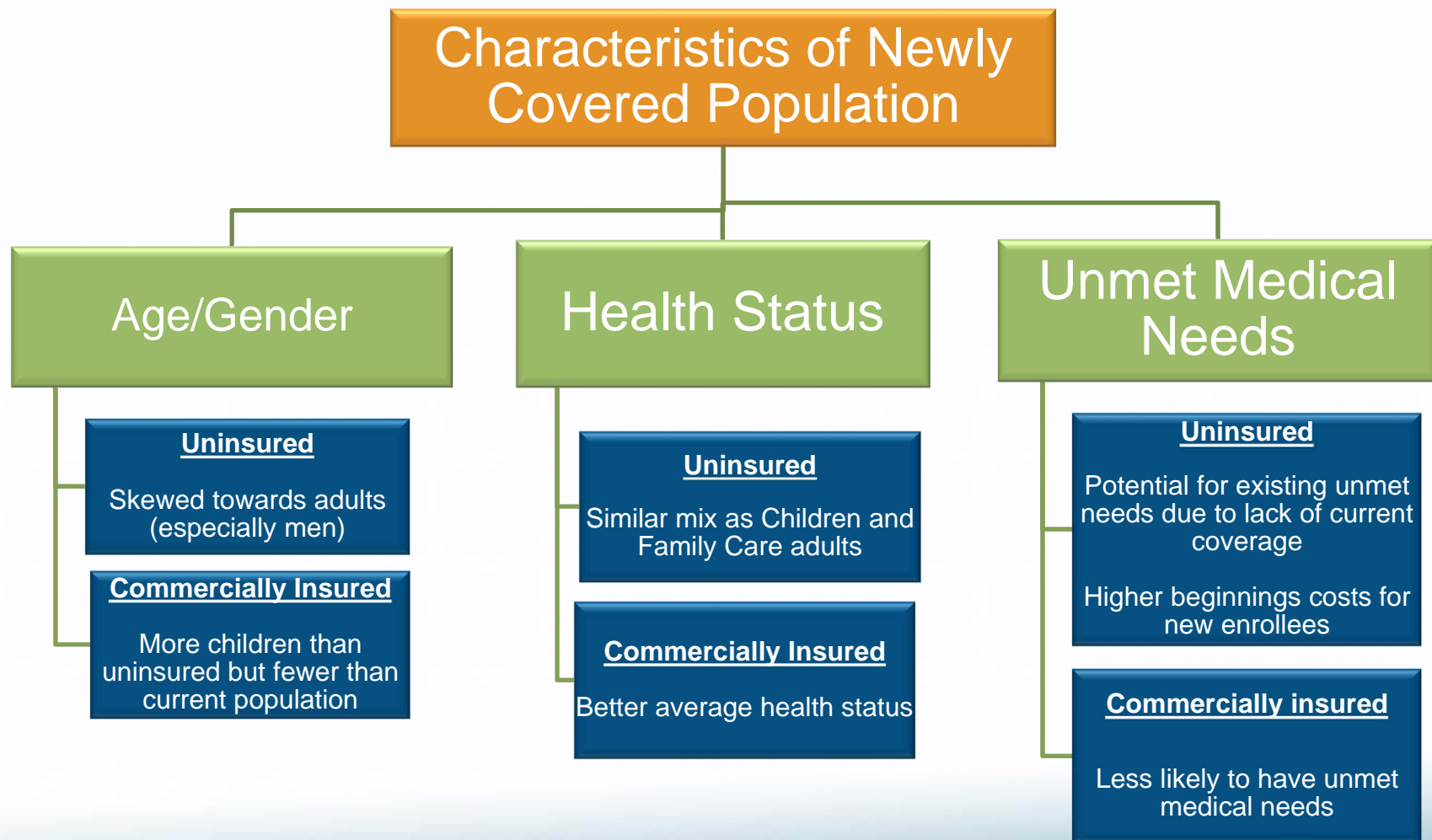
Wyoming Medicaid: Historical Analysis
Per Member Per Month Paid Costs by Eligibility Program
FY 2011

Expansion Population Characteristics

Characteristics of Newly Covered Population

Age/Gender

Uninsured

Skewed towards adults (especially men)

Commercially Insured

More children than uninsured but fewer than current population

Health Status

Uninsured

Similar mix as Children and Family Care adults

Commercially Insured

Better average health status

Unmet Medical Needs

Uninsured

Potential for existing unmet needs due to lack of current coverage

Higher beginnings costs for new enrollees

Commercially insured

Less likely to have unmet medical needs

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Expansion Projections
Sources of New Enrollment

"Woodwork Population"
- Currently eligible but have not enrolled
- **Not optional:** meets existing eligibility requirements, and some of it will "come out of the woodwork" due to the coverage mandate
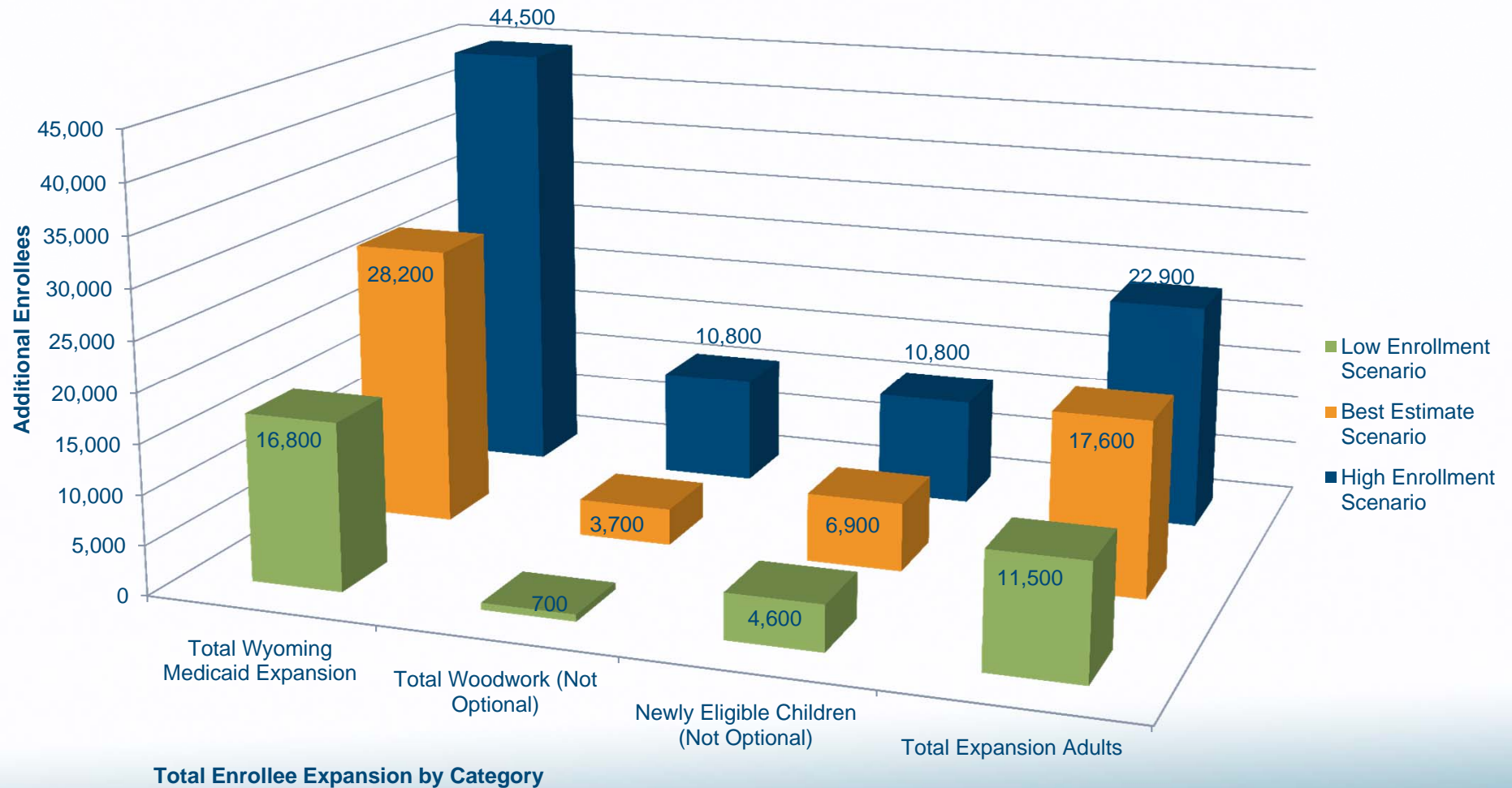
Adult Expansion Population
- Currently uninsured & ineligible but with incomes under 138% FPL
- Privately insured, low income, expected to lose or drop private coverage
- Income slightly over 138%, deliberately lowers income in order to qualify

Newly Eligible Child Population
- Children 6-18 currently eligible for Kid Care CHIP but not enrolled
- Children 6-18 currently in CHIP but with income under 138% FPL
- Privately insured, low income, expected to lose or drop private coverage
- Income slightly over 138%, deliberately lowers income in order to qualify

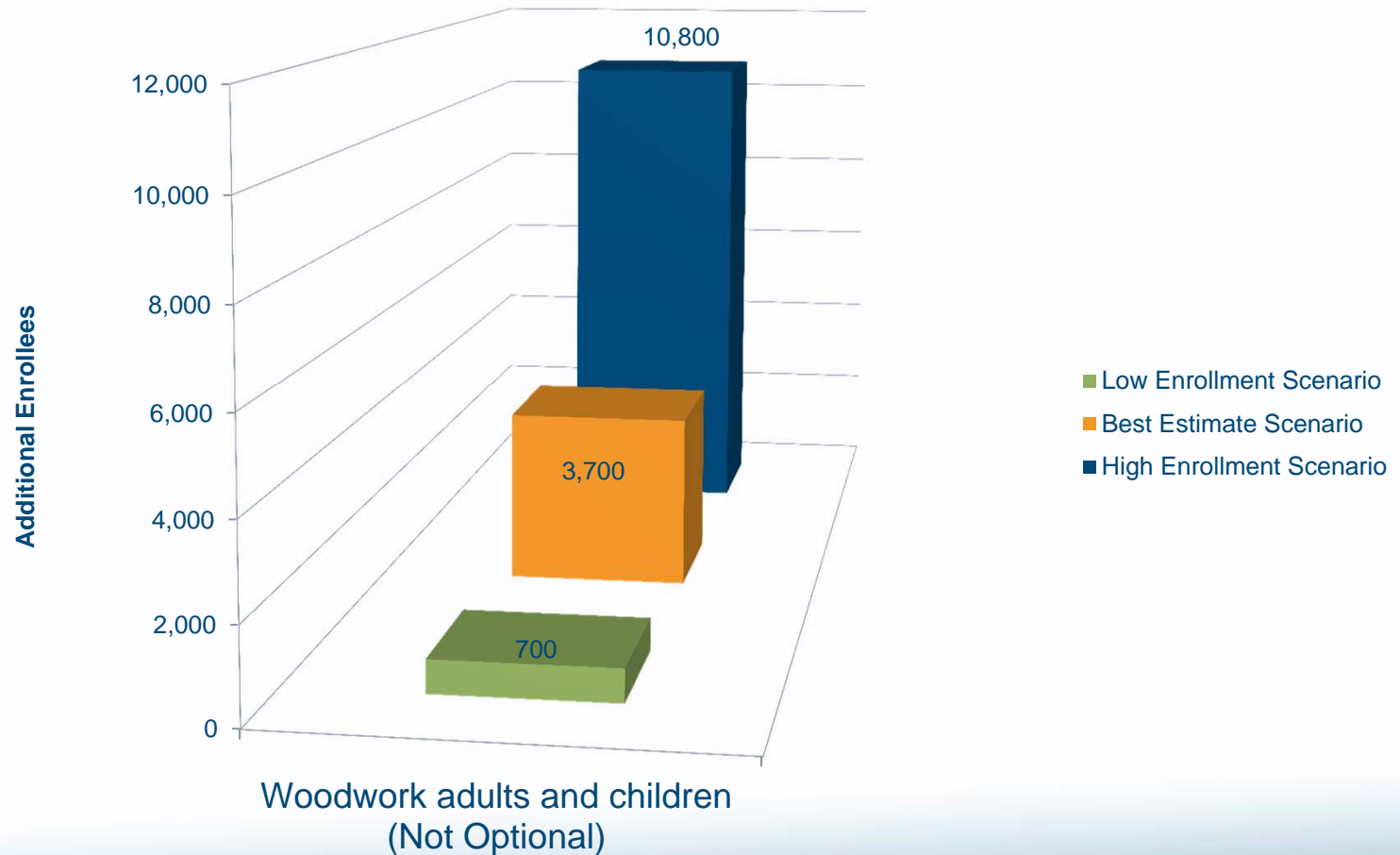- **None of these are optional** (not affected by Supreme Court ruling)

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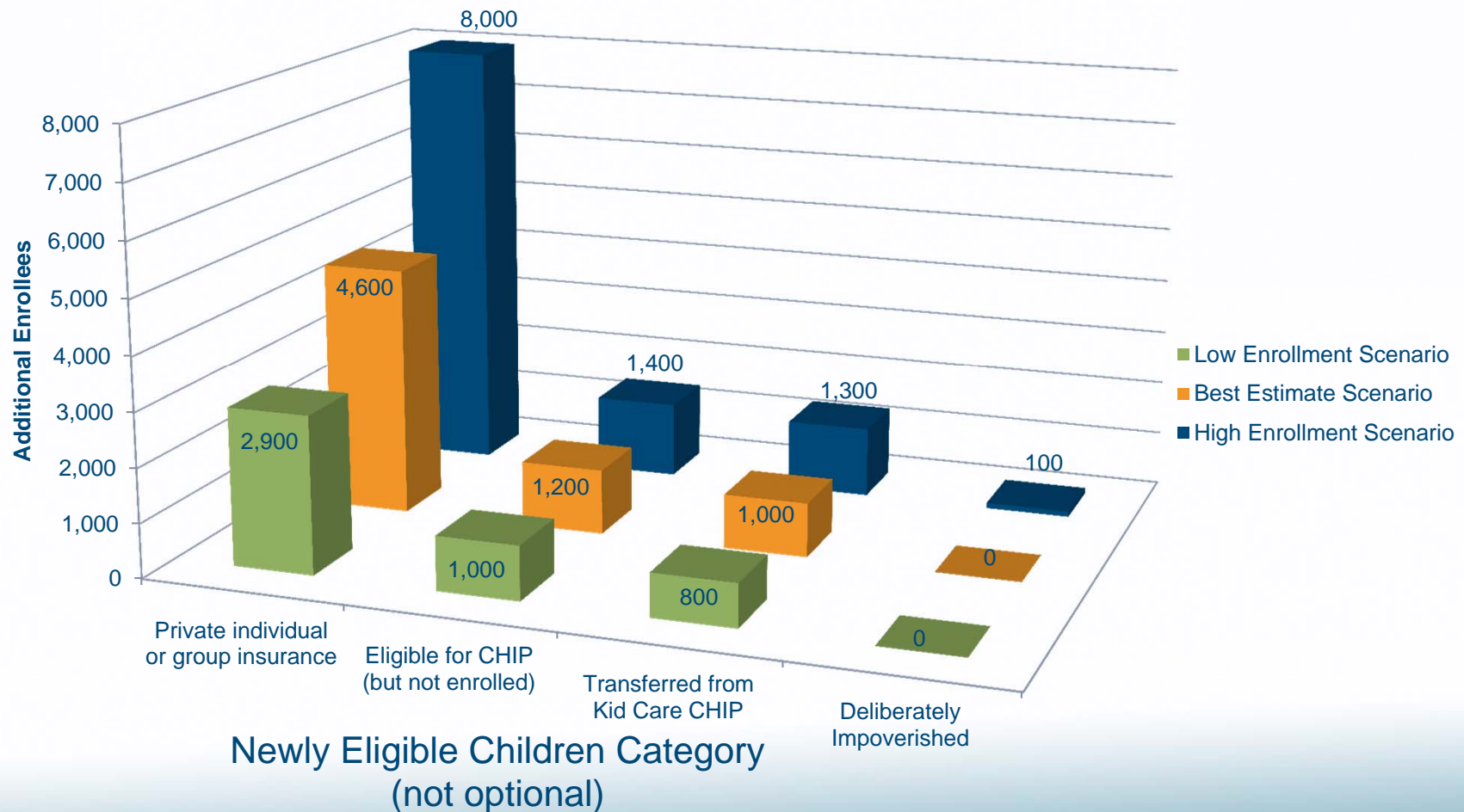# Expansion Projections
Total Wyoming Expansion

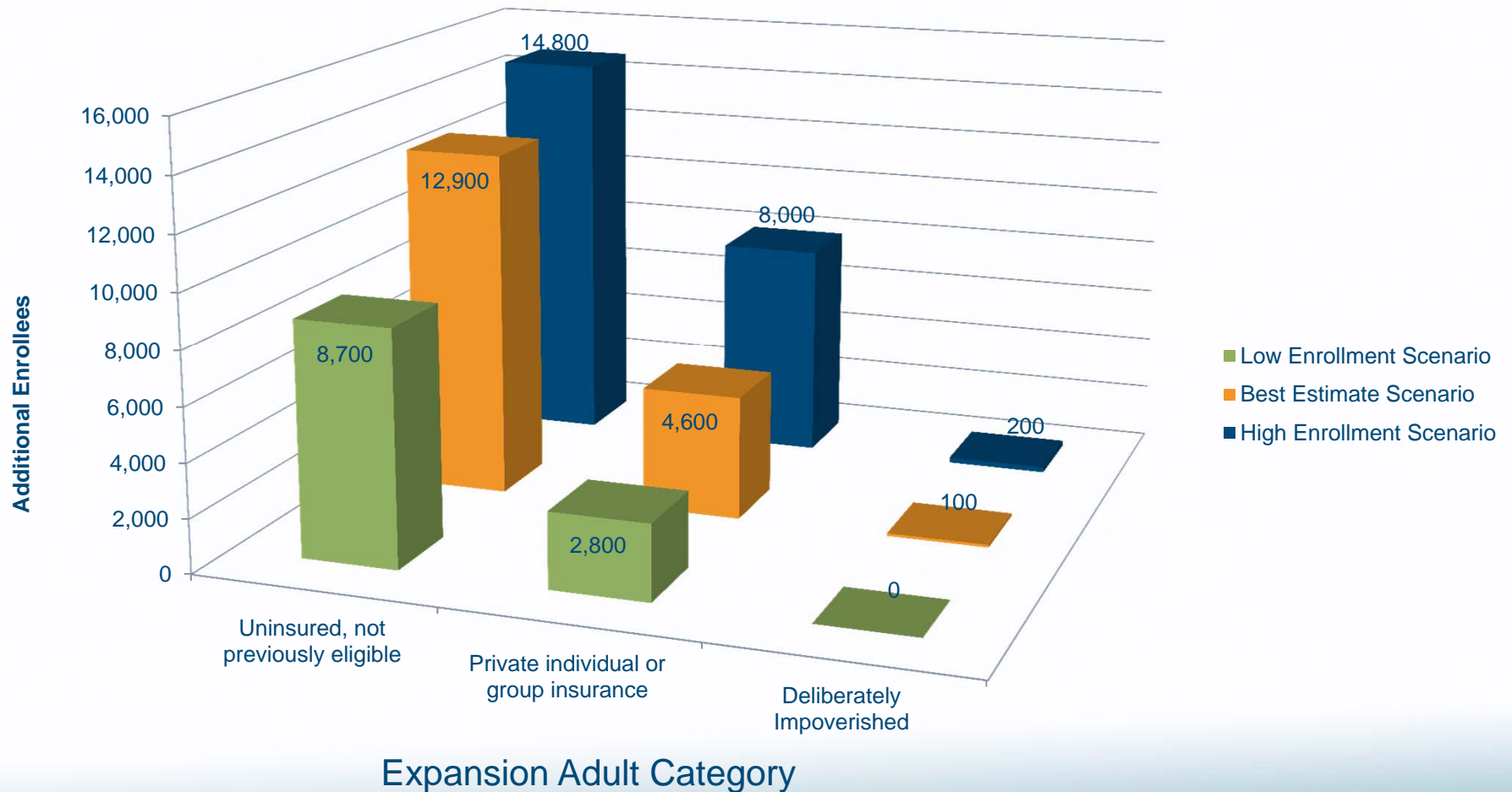# Expansion Projections
"Woodwork Population" (Not Optional)

Expansion Projections
Newly Eligible Children (Not Optional)

Expansion Projections

Expansion Adults

Federal Medical Assistance Percentage
FMAP

Today

- Medicaid: **50%**

- Kid Care CHIP: **65%**

  - Will temporarily rise to 88% from October 1, 2015, through September 30, 2019

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Federal Medical Assistance Percentage
FMAP

Starting in 2014

- All Medicaid enrollees who meet the existing enrollment criteria (includes "woodwork population" currently not enrolled)
  - Remains **50%**

- Newly Eligible Adults
  - **100%** in 2014
  - Declines to **90%** by 2020

- Newly Eligible Children
  - Incomes under 138% FPL: **50%**
  - Incomes over 138% FPL but under 250% FPL: CHIP FMAP (currently **65%**, temporary increase to **88%**)
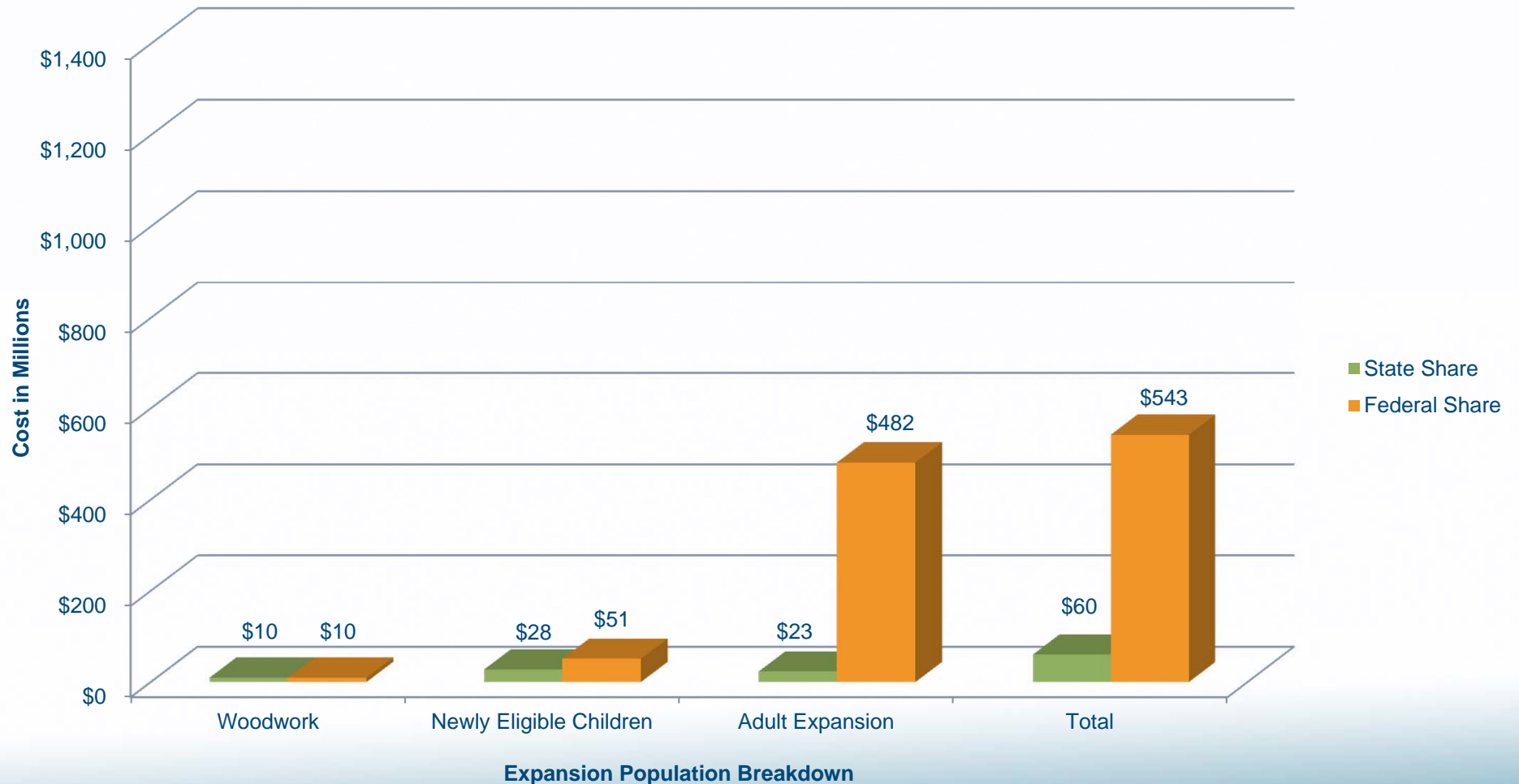
14

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Expansion Projections

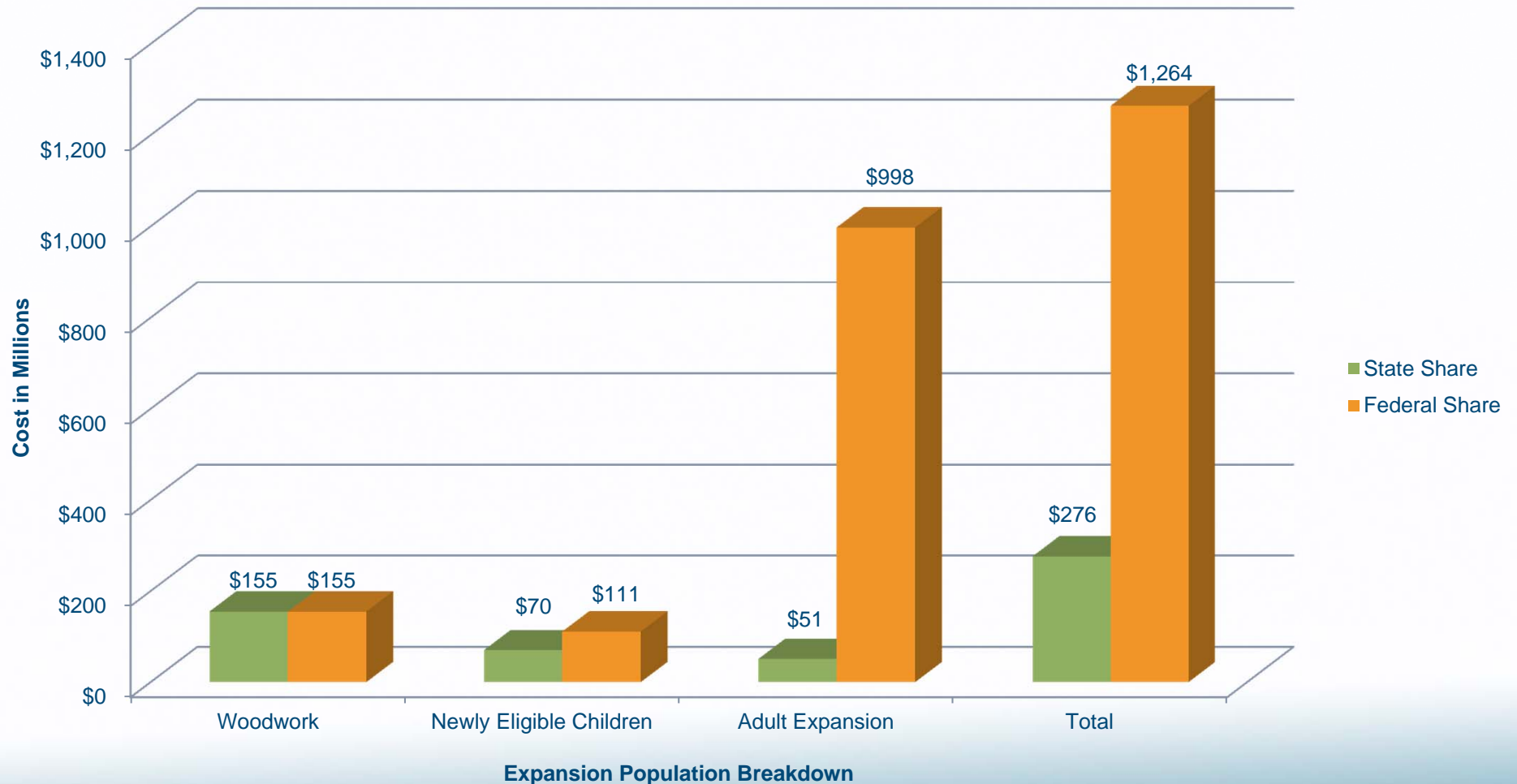## Total Projected Cost FY 2014–FY 2020: Best Estimate
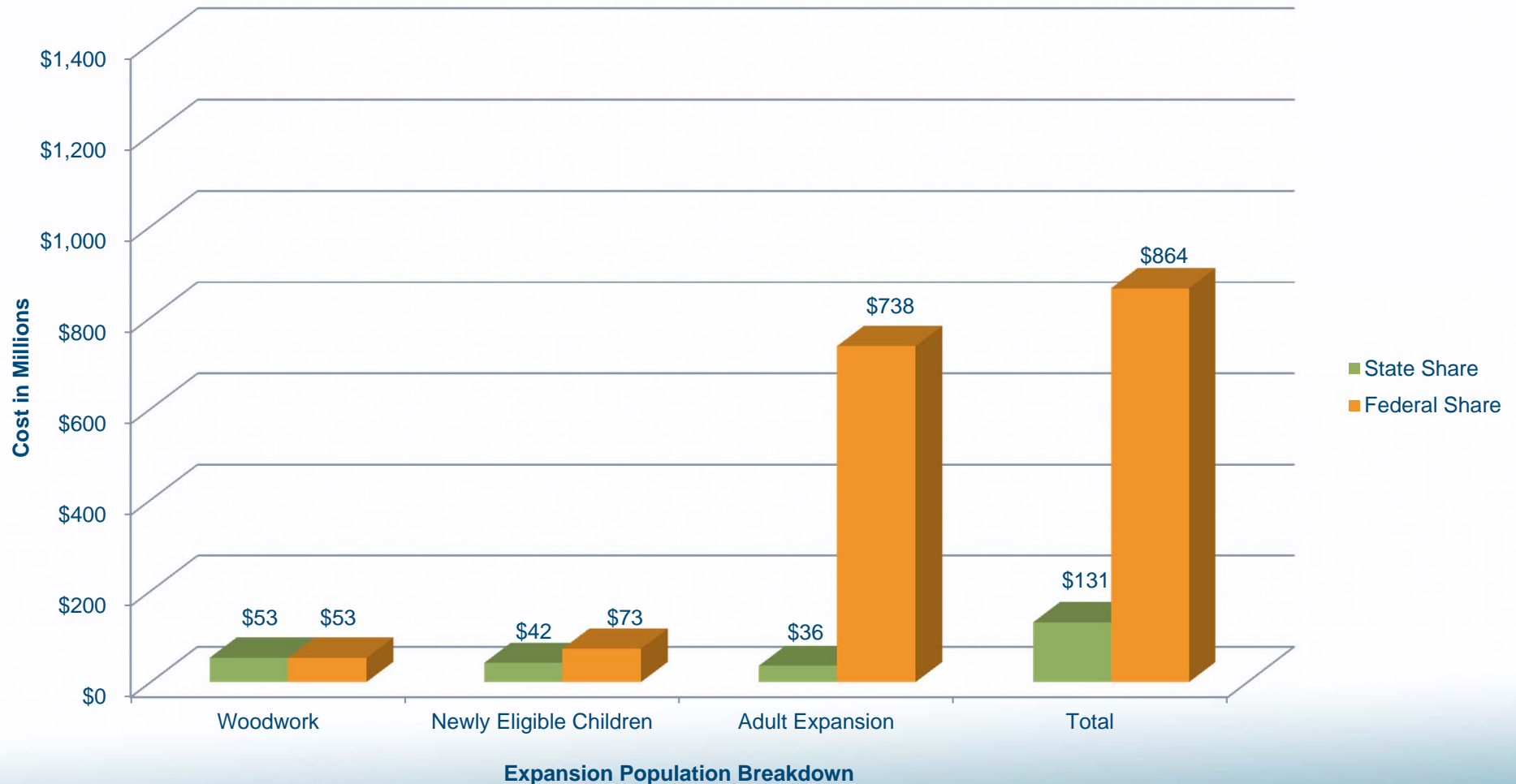
Expansion Projections

Total Projected Cost FY 2014-FY 2020: Low Enrollment Estimate

Expansion Projections

Total Projected Cost FY 2014-FY 2020: High Enrollment Estimate
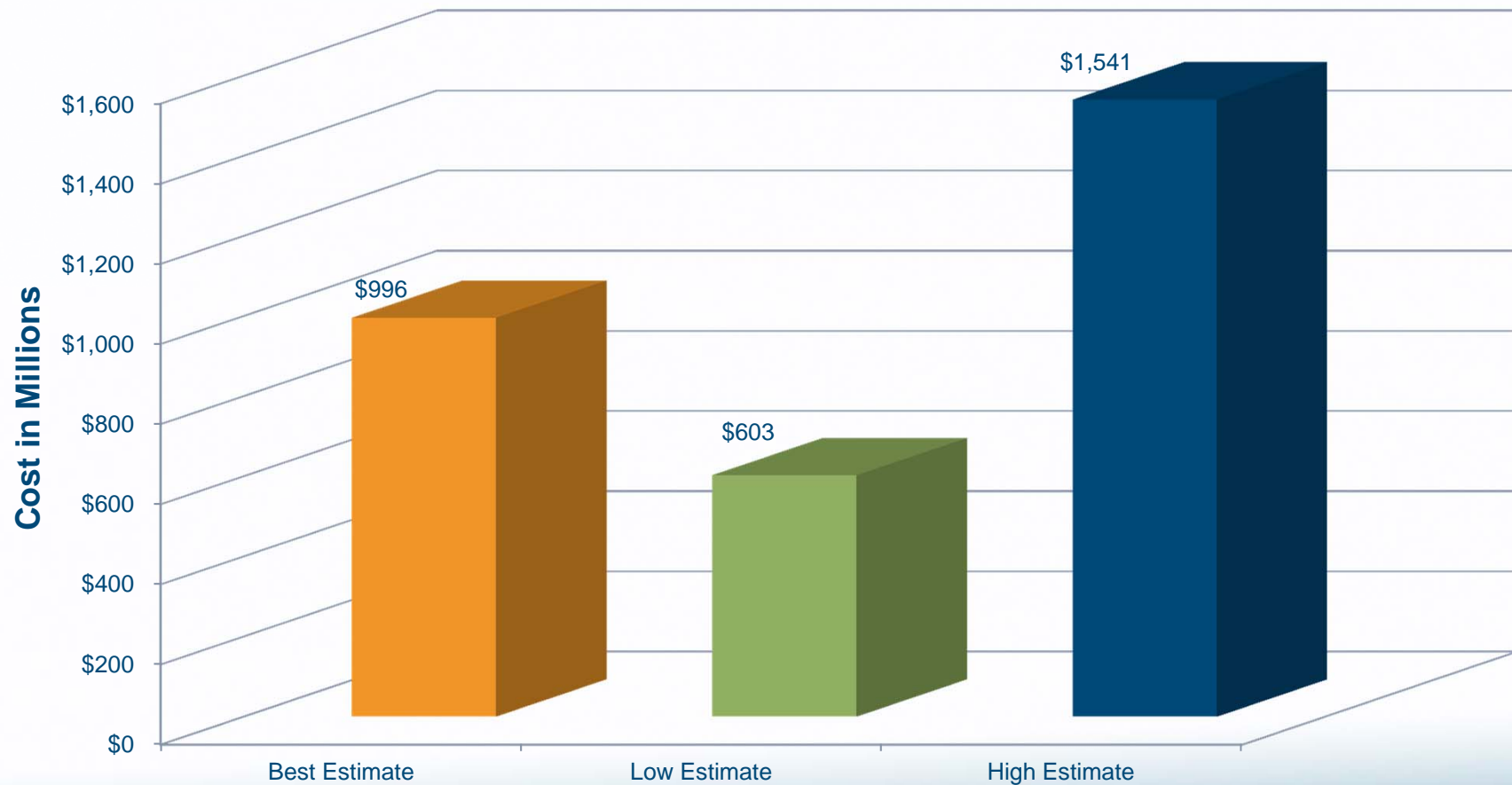

Cost in Millions

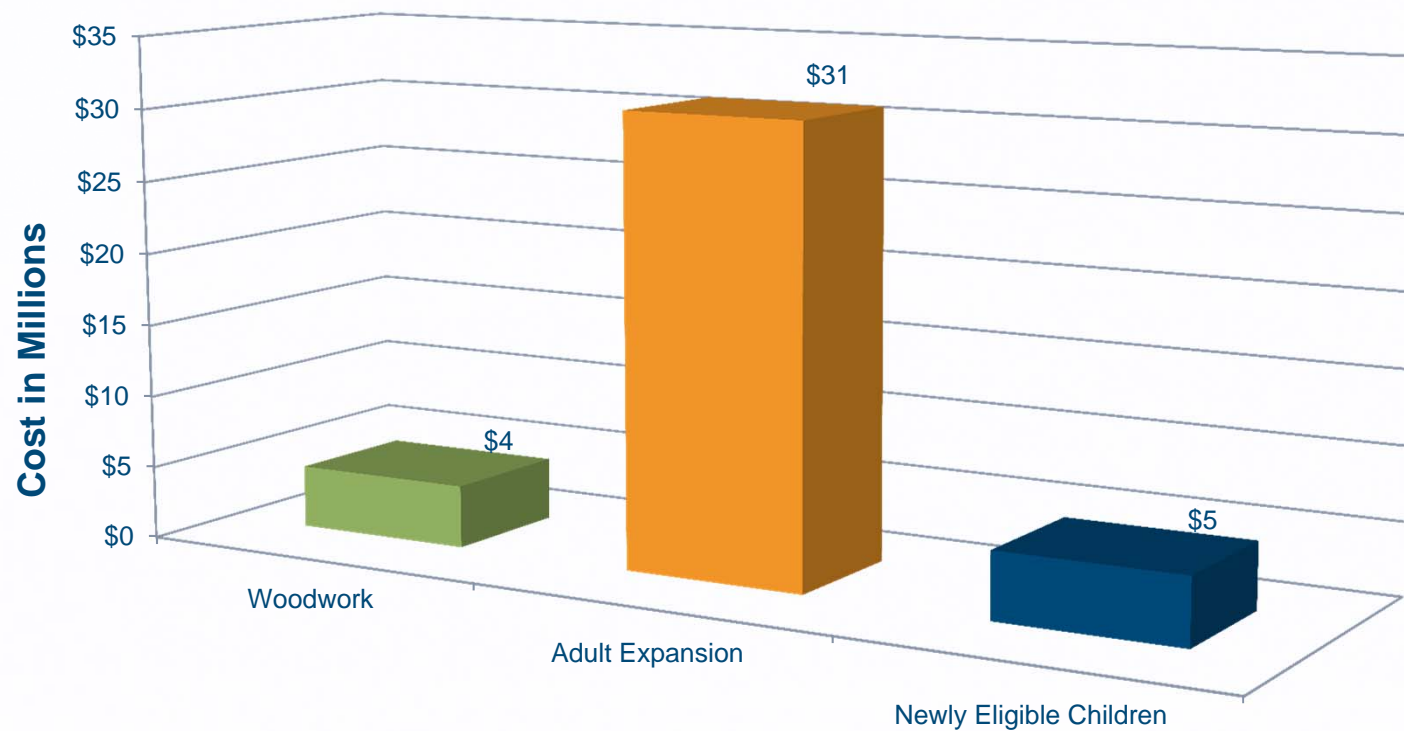|	State Share	Federal Share
Woodwork	$155	$155
Newly Eligible Children	$70	$111
Adult Expansion	$51	$998
Total	$276	$1,264

Expansion Population Breakdown

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Expansion Projections
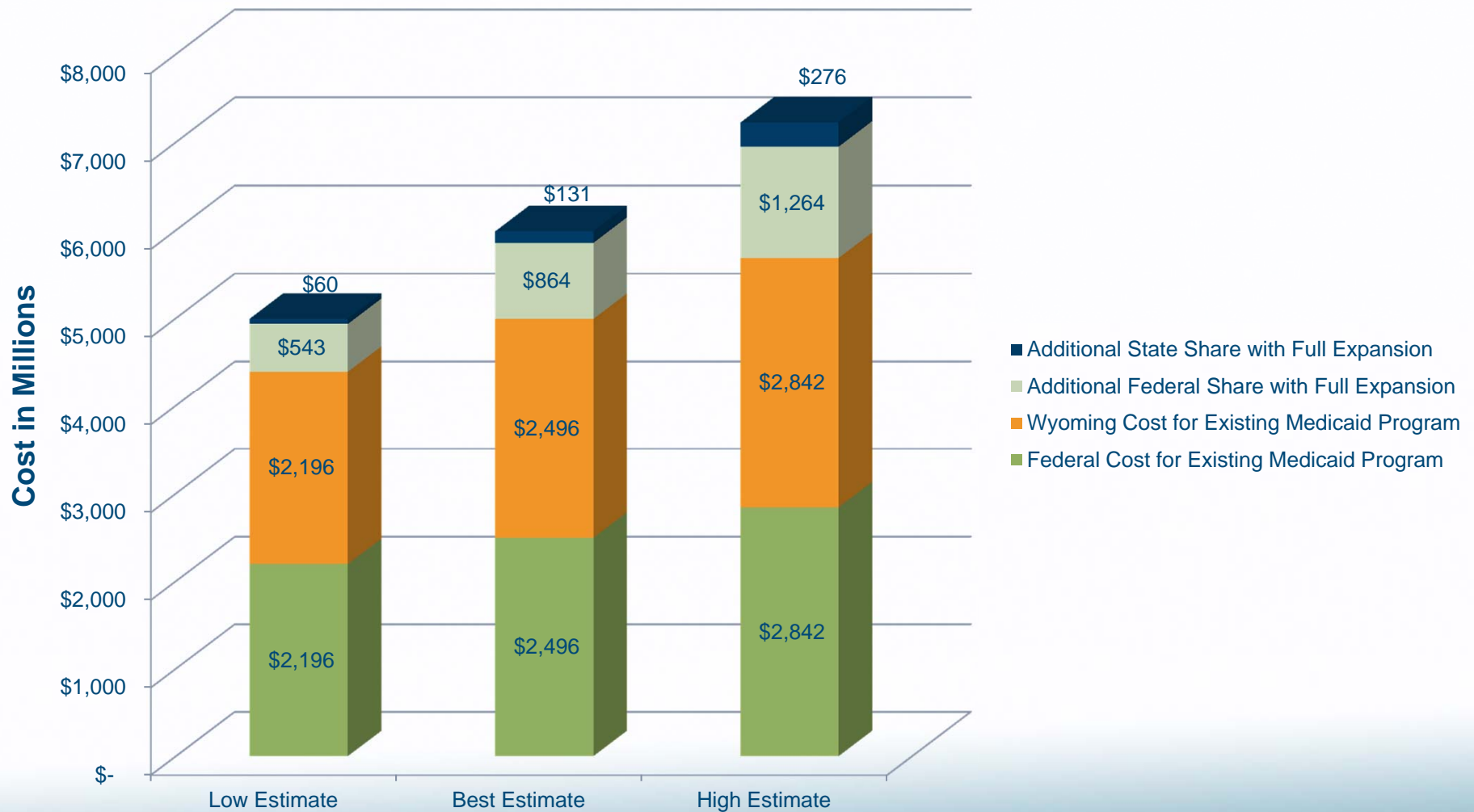## Total Projected Cost: (State and Federal Combined)

Expansion Projections
Total Administrative Costs: FY2014 to FY2020

Projections With and Without Expansion
Total Cost FY 2014-FY 2020

Expansion Cost Offsets

- **Prescription Drug Assistance Program (PDAP)**
  - $4 Million in General Fund Appropriation for 2013-14 biennium
  - Fully funded by State
  - Estimate 100% of currently covered members would be eligible for Wyoming Medicaid

- **Wyoming State Hospital**
  - $76 Million in General Fund Appropriation for 2013-14 biennium
  - Funded primarily by State

- **Children's Health Insurance Program (CHIP)**
  - $11 Million in General Fund Appropriation for 2013-14 biennium
  - Jointly funded (65% Federal, 35% State)
  - Estimate 1,000 kids would be transferred from CHIP to Medicaid
  - 23% increase to current FMAP from October 1, 2015, through September 30, 2019

- **Wyoming Breast and Cervical Cancer Coverage**
  - Currently available to uninsured women with income < 250% of FPL
  - Estimate savings due to high FMAP percentage and Exchange subsidies

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Expansion Cost Offsets
(Continued)

- **Behavioral Health Outpatient Services**
  - $114 Million in General Fund Appropriation for 2013-14 biennium
  - Some current utilizers would likely become Medicaid-eligible beginning 2014

- **Wyoming Colorectal Cancer Screening Program (WCCSP)**
  - Many current utilizers could become Medicaid-eligible beginning 2014
  - Estimate $600,000 decrease in WCCSP expenditure due to Expansion

- **Programs within the Wyoming Department of Health**
  - Several programs could serve fewer members:
    - Children's marginal dental program
    - State-funded health coverage for foster children not currently Medicaid eligible
    - Public health Division of the WDH

- **Uncompensated Care**
  - Uncompensated care results in higher state employee health premiums
  - Fewer uninsured would reduce these costs

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Important Caveats

- Figures in this presentation based on **Wyoming Medicaid Expansion Analysis: Results Summary** (September 5, 2012)

- These slides are visual aids to an accompanying oral presentation.

- Analysis based on the ACA and its regulations as of the date of our report

  - Assumes ACA will be implemented as written (and as interpreted by June 28, 2012, Supreme Court ruling)

  - Milliman does not take a position on legislation, and Milliman does advocate for or against any action based on its work

- Data sources are listed in full report

  - Reviewed for reasonability and overall consistency with other published sources, but not audited

  - Any data inaccuracies could be reflected in analysis

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Important Caveats
(Continued)

- Retrospective analysis is a summary of historical data
  - Should not be used for projection without judgment and caution
  - Other methods could be valid and yield different results
- Projections based on historical data and actuarial judgment
  - Uncertainty in projecting medical costs, population growth rates and human behavior
  - Results presented in ranges and sensitivity tested to reflect these uncertainties
  - Ranges should not be construed as minimum and maximum possible outcomes
- Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in actuarial communications. Daniel Perlman is a member of the American Academy of Actuaries and meets the qualification standards for performing the analyses discussed in this presentation.

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